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A Business Case for the Employability of People with Disabilities in Portugal
The Randstad Case

INÊS DE ALMEIDA BARRADAS FERREIRA, 30424
MARGARIDA DUARTE FELGUEIRAS GALVÃO CARVAJAL, 30077

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Miguel Alves Martins

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Abstract

Portugal's disabled population continues to struggle for independent living. With rates of both unemployment and discrimination increasing in Portugal, disabled citizens face high risks of poverty and social exclusion. At the same time companies remain trapped in an outdated and narrowly version of value creation with main focus on profit per se, while there is a widely shared perspective that companies are prospering at the expense of the broader community. This dissertation is constructed under a business case format, with the aim of assessing the economic and social value added to the business of Randstad, a multinational Human Resources company, if a business unit merely dedicated to the recruitment of disabled Portuguese citizens would be created.

Key words: Unemployment Rate, Risk of poverty and social exclusion, Value creation, Business Case, Economic and Social value, Randstad, Business unit

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1. Introduction

The employability of disabled people is a social issue that not often comes in as a priority for governments and authorities. We detected that in Portugal, a big percentage of the working disabled population is lacking opportunities to have a sustainable job and is not being capacitated with the right skills and knowledge in order to improve and maintain their position inside a company. With the help of scholars who are dedicated to study this topic, the main goal of this dissertation is to build a business case for the employability of disabled people in Portugal. Our aim is to appraise if Randstad can find value on hiring these citizens and on including them as equals, considering that “businesses acting as businesses, not as charitable givers, are arguably the most powerful source for addressing many of the pressing issues facing our society” (Porter, 2011).

The present dissertation was, therefore, built around two main focus: understand what is the current environment of inclusion of disabled people in the workforce of Portuguese companies, by assessing economic trends of the job market, the already existing government incentives, the dynamic legal context, the entities that work towards diminishing this issue and, consequently, how can we move these drivers so that a Human Resources (HR) company can extract social and economic value from creating an internal system exclusively dedicated to the placement of these individuals. For this purpose, we worked along Randstad and applied our knowledge to the current mission of the firm, in order to design an efficient and profitable action plan, through a business case, as a way of fulfilling the existing gap on the job market.

Accordingly, the “Introduction” section will be divided into the clarification of two main topics: firstly, the understanding of how Inclusive Community Forum (ICF) got us acquainted with the challenge within the Employability of Disabled People and secondly, the analysis of Randstad’s business model.

a) The Inclusive Community Forum (ICF)

HR4Inclusion, which gives the motto to this thesis, was conceived by ICF, an initiative powered by Nova School of Business and Economics. The ICF is dedicated to understanding the endeavors of the everyday life of people with disability of any kind in Portugal, in order to create a more inclusive society that is aware of the differences in the life opportunities and discrimination that such individuals face. To do so, the ICF is committed to tackle the main challenges that people with disabilities must overcome, by structuring solutions that involve big players in the society as family, University (student, faculty and staff), companies and governmental institutions. For five years this initiative is expected to focus on different topics from education to sports activities, accessibility, employability, health, and technology. In the first year of activity, the ICF has chosen to approach the “employability of people with disabilities”, designing a four phased scan for that purpose. Firstly, ICF acknowledged the principal barriers that this people face, by gathering information through interviews, field and quantitative analysis. This diagnosis allowed ICF to build a list of good practices that were implemented in national and international companies and institutions. Consequently, ICF was able to design customized solutions to tackle issues inside the employability topic and monitor their correspondent implementation.

Thereby, the HR4Inclusion was one of the three pilot initiatives created by ICF that aims to develop partnerships with HR companies, as focal actors that assure a better integration of disabled citizens in the companies. This impactful proposal’ goal is to satisfy the company’s current workforce needs, while increasing the employability rates for disabled people and, therefore, giving a life purpose to these individuals.

b) The Randstad case

Randstad is a HR multinational based in Diemen, Deutschland, specialized in “solutions in the field of flexible work and HR services” (Randstad, 2017). In 2018, Randstad

became the world's leading company and is now present in 38 countries. In Portugal, Randstad has been operating for more than twenty years and although its headquarters are based in Lisbon, the company is represented in twenty-three delegations spread through all the country.

In 2017, the company adopted a new “Tech&Touch” strategy, also named “Human Forward”, which combines the capabilities of technology with people. For that purpose, Randstad created an external innovation fund that analyzed 2.5 thousand startups in the HR industry, in order to comprehend what challenges Randstad might face with the upcoming technological trend. Through this analysis, Randstad understood the relevance of data management in order to sustain its competitive advantage and surpass competitors, resulting in the generation of a database with over 350 million profiles.

The recruitment process

As a HR company, Randstad bases its services on a circular flow of information, where the client's need is the trigger to the beginning of the process. Initially, the client reports to Randstad, both the existence of a job opening and the requirements suitable for that role. Afterwards, Randstad resorts to one of the two existing recruiting processes: the application of the “*spider*” matrix or the *activation of their database*.

The “spider” matrix is used to perform a tailored service within spontaneous opportunities that demand a unique candidate with an unrepeatable set of skills. This process aims to deeply comprehend the personal and professional skills of the candidates, through a *job, company, and boss fit* assessment, narrowing the range of candidates to the number of three, from which the client much chooses the best suitable future employee. On the contrary, the *activation of the database* will occur to satisfy the request for a large number of candidates with a specific set of skills within an industry with a fluctuating level of demand.

Furthermore, Randstad provides their clients with a set of differentiated services, enabling them to find the best talent. The client can choose among *staffing*, *in-house*, *outsourcing* and *professionals* services, according to their employability necessities. Indeed, *staffing* satisfies temporary needs where Randstad establishes a temporary work contract with the company and is responsible to hire, remunerate and exercise disciplinary power. Concerning *in-house* services, Randstad operates within a company typically providing a large number of candidates with a specific skill set, according to the company's internal seasonal workflows. Regarding *outsourcing* services offering, Randstad will perform tasks, handle operations or provide services that are usually executed by company's own workforce. Lastly, the *Professionals* area aim to assure the finding of executives for leadership positions.

For the inclusion of disabled citizens in Randstad's business model, it would be necessary to change some critical features not only on the hiring system but also on its organizational structure, resulting in potential bottlenecks to the process itself. The first concern that emerges once we consider an inclusive version of these services is the specialization of the recruiting teams of Randstad. Given the sensibility of the targeted population, it is required a workforce with a strong professional maturity and solid experience in the HR area, as well as, knowledgeable about inclusive recruitment. The second bottleneck is related with the sourcing of candidates, since Randstad would have to be responsible for creating a new database of candidates to find the right talent pool.

Once Randstad is able to build capable teams to tackle this necessity, it is important to comprehend that an inclusive recruiter is not merely a connection point between the employer firm and the disabled candidate. Previously, when the candidate is already allocated at the employing firm, Randstad should move their services to a service of *customer care*, where the adaptation of a disabled individual to its new work environment should be closely monitored.

Overall, creating this new service might result in considerably high expenses for Randstad that, later, would have to be drained through the service payment on behalf of the clients. Therefore, we should consider the risk of Randstad losing its competitive advantage, due to the high price charged.

2. Methodology

Overview of the topic

The co-creation field lab, which the present dissertation is part of, is based on the topic of inclusive recruitment that, as we have mentioned in the “Introduction” section, was proposed to us by ICF. This section describes how our first encounter with the social problem of disabled unemployment, left us building a business case that assesses the potential integration of an inclusive recruitment system within HR companies, more precisely Randstad, as a path to decrease the degree of social exclusion felt by the Portuguese disabled citizens, while strengthening company’s economic position.

Research design

Under the guidance of Professor Miguel Alves Martins and with the support of ICF’s expertise on the topic, a group of four management students was convened to address this proposition. At a first moment, it was crucial to understand what, so far, have been put in practice both by the ICF and within the Portuguese society in order to diminish the equality barrier that still differentiates disabled citizens from the remaining community members. For that end, the ICF provided a set of relevant documents that summarized both their work developed up to the moment (as their mission, their initiatives and respective retrieved outcomes) and reports of the authorship of Portuguese entities, that gave a clear glance of what is the status of the disability topic in Portugal. From this set of resources provided, we were able to define from which standing point we would aim to understand the subject in

analysis. For the purpose of testing the sustainability of an inclusive recruitment within HR companies, we resorted to the cases of Randstad and Argo Partners, that on-boarded this journey with us as potential change drivers through the creation of social value in their businesses. The group was, thereby, divided into two groups that would apply their reasoning process to each one of the companies formerly mentioned. We were entrusted with the responsibility of working with Randstad.

The arrangement of weekly meetings between the group and the Professor, helped on clarifying the underlying reasoning process and on finding the best suitable approaches to the information retrieved from the scanning of the company's business model. To this purpose, the monthly reunions with Randstad Portugal managers, allowed us to schematize the current managerial and operational procedures in practice, and to adapt our proposals to the organizational model of the company.

Data analysis

After gathering all the data needed to start building the business case, we employed M-EOS model (Appendix 2.1), created in 2013 by José Santos, Professor at INSEAD, that links the endeavors of General Management with the dynamic interaction between environment, strategy, and organization. This model revolves around the collective performance of a company since the author defines it as “the complex dynamic interaction between its *Environment* (E), its *Organization* (O) and its *Strategy* (S)” (Santos, 2013), proposing a sequential flow between the Environment, the Strategy and the Organization (E-S-O). Therefore, the beginning of this loop is comprised by the *Environment* explaining how the dynamics of the market will dictate the strategic plan of Randstad. Consequently, the *Strategy* will be reshaped according to the inputted information, implying the reevaluation of the firm's business model, positioning, targeted population and provided services. Lastly, we can expect to verify changes in the *Organization* of the company structure, since the revisited strategy

inputted incremental information to this process, potentially requiring a restructure or addition of internal and external resources, resulting in an assessment of profits&losses statement, which will dictate the viability of the business case.

From the comprehension of the Environment, it was clear that the job market was not moving towards the inclusion of disabled citizens, reflected by a high Portuguese unemployment rate for this population, mainly when compared to the European Union (EU) average. Primarily, our challenge was to show through productivity and profitability that the integration of these citizens in the company's workforce was a sure way of adding social and economic value to their business, by deconstructing possible myths and bottlenecks related with that process. However, a crucial change in the Environment (Portuguese legislation) made us revisit the initial motto of this dissertation.¹ The change in the law that stipulates the job quotas for medium and big sized Portuguese companies, made us change our trigger point that based all the consequent reasoning process. Accordingly, we moved from a reality where our main goal was to prove that the inclusion of disabled citizens could add benefits to the organizations, to an environment where this inclusion was mandatory. This will create a recruitment wave, translated into a business model, as every company covered by this law will need to meet the required percentage of employed disabled citizens.

Therefore, the planned Strategy moved from incorporating corporate social responsibility in Randstad's business to a created shared value approach where addressing the social challenge of unemployment of disabled people is considered a business opportunity, which might foster profits and competitiveness. Subsequently, the above mentioned, enabled us to determine necessary changes in the Organization and, hence, assess the viability of an inclusive recruitment inside Randstad, allowing a conclusion of the business case to be retrieved.

¹ See Appendix 3.11 for detailed explanation

3. Environment

In this section, an analysis of the environment that surrounds Randstad and that comprises the universe of disabled citizens is going to be described. As mentioned above, by deepening the study of the comprising topics, we will be able to identify its respective characteristics, and build a strategy that includes solving proposals to the identified problems.

Accordingly, we will focus on the comprehension of the statistical data that relates directly to the universe of the disabled citizens in Portugal; the existing legislation that aims to protect this population; and lastly, the main entities that have a role on the dynamics established within this issue. All of these will have an impact of what is the disability context sphere from which our dissertation will be built upon.

a) Main numbers

The Portuguese economy started growing again in early 2013, and since then the country's employment rate has improved significantly, as shown in Appendix 3.1 (Pordata.pt, 2018). However, many challenges are still unanswered. Although unemployment figures for the Portuguese population have been declining steadily since 2013, unemployment for people with disabilities actually increased, leading to a possible higher risk of poverty and social exclusion. According to (Campos Pinto and Janela Pinto, 2017), in 2016, 284 complaints were registered based on the discrimination of disabled, being this the second most common reason for discrimination in Portugal, representing the country with the largest difference from the EU average².

Hence, this subchapter represents an urgent need for change by showing that Portugal is still behind in the road for inclusion. For that purpose, we are going to describe the main trends related to the labor situation of people with disabilities in Portugal. The data was

² Disability discrimination in Europe averages 15%, whereas in Portugal this figure increased to 65% (European Economic and Social Committee, 2019).

mostly obtained from the Disability and Human Rights Observatory (ODDH), report that follows-up the development of disability policies in Portugal and Portuguese-speaking countries.

General data on employment of people with disabilities

The population with disabilities in Portugal shows activity rates above the average when comparing to the disabled population in the others EU countries. The lowest activity rates in Portugal and EU are consistently found among women with disabilities, followed by men with disabilities. In 2014, the lowest activity rates among people with disabilities in Portugal were recorded in the age groups of 16-24 years and 55-64 years, as shown in Appendix 3.2.

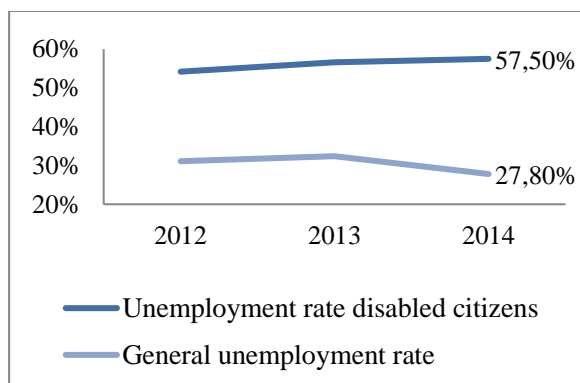
Adding to the above, latest figures by Eurostat show that the unemployment rate in the European economic area fell to 9.1% in June 2017, compared to 9% showed in Portugal, making this the first time since February 2006 that the percentage of unemployed people in Portugal has dropped below the European average (Portugal-European Commission, 2018).

In 2018, the unemployment rate fell 6.8% in the EU, with Portugal following with a 6.8% unemployment rate considered to be low compared to other EU countries such as Spain, Italy and France³. Portugal is the European country posting the fourth biggest drop (2 percentage points) in the rate compared with 2017, and 11 % drop according to 2011. (Lusa, 2018).

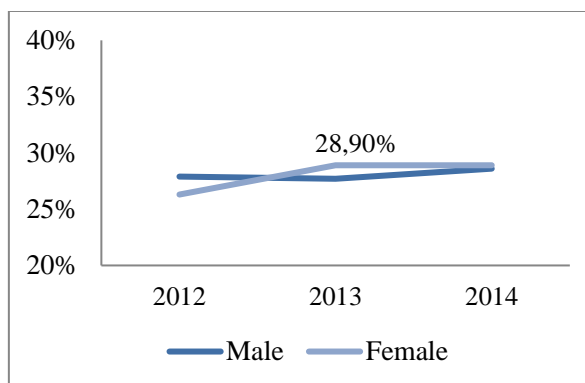
In accordance with this data, it would be expectable that the unemployment rate for people with disabilities in Portugal would show a lower percentage when compared to other European countries. However, the same trend of improvement was not registered among the disabled population, as we can see in the graphics 1 and 2 below, which show that the unemployment rate for this people in Portugal has been rising from 2012 to 2014, presenting

³ The mentioned countries present a 15.2%, 9.7% and 9.3% unemployment rate, respectively.

the highest values in women. In 2014, the highest level of unemployment was tracked among people with disabilities aged 16-24 years and 55-64 years showing a significant discrepancy compared to the EU average, as described in Appendix 3.3.



Graphic 1: Comparison of unemployment rates in Portugal 2012-2014
Source: (Campos Pinto and Janela Pinto, 2017)



Graphic 2: Evolution of unemployment of disabled citizens for Men and Women
Source: (Campos Pinto and Janela Pinto, 2017)

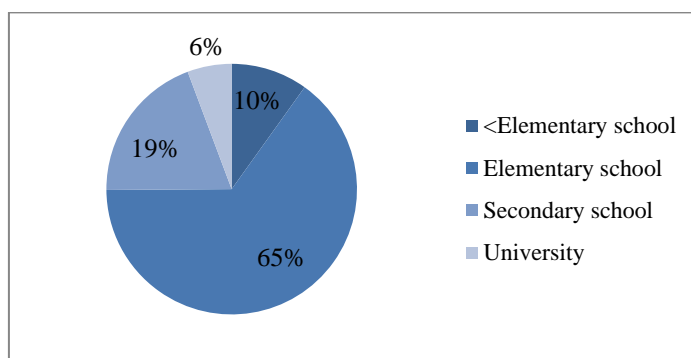
Unemployed disabled citizens in the Portuguese Employment Center

The analysis of the official Institute for Employment and Vocational Training (IEFP) statistics on the number of unemployed people registered in the Portuguese employment center shows that despite an overall reduction in registered unemployment between 2011 and 2016, (Appendix 3.4), this improvement has not been extended to people with disabilities, with an increase in the number of unemployment registered in IEFP (Appendix 3.5), from which only 10% was placed in the job market, as Appendix 3.6 shows. This increase was higher among women with disabilities (+ 37.2%) than with men (+ 20.0%), although there were still more unemployed disabled man (N = 7645) than women (N = 5538) by the end of 2016. (Campos Pinto and Janela Pinto, 2017)

The profile of people with disabilities registered in IEFP as unemployed in 2016 shows a higher rate among adults looking for a new job opportunity for a long-period of time (> 1 year), (Appendix 3.7).

Regarding academic education, 94% of the unemployed disabled citizens had qualification levels below University, as graphic 3 shows. In terms of region, the largest

number of unemployed people with disabilities in 2016 was registered both in Lisbon/Vale do Tejo and the North (Campos Pinto and Janela Pinto, 2017).



Graphic 3: Education level of disabled citizens enrolled in IEFP in 2016, in Portugal
Source: (Campos Pinto and Janela Pinto, 2017)

Employed Portuguese disabled citizens in the private sector

Concerning the private sector, existing data shows that there has been an increase in the number of workers with disabilities. However, in 2015, the percentage of disabled people represented less than 1% within companies with more than 10 employees, when compared to the total workforce (Appendix 3.8). Moreover, as described in Appendix 3.9, in 2015, there were higher levels of education among women than men with disabilities working in the private sector. In addition, it has been estimated that the majority was employed in industry, health services and social support, commercial activities and finance/insurance activity areas, as shown in Appendix 3.10.

It is, therefore, clear that Portugal stands in a disadvantage regarding the employment of disabled people when compared to the EU average. As an article in *The Journal of Sociology & Social Welfare* suggests, “The economic self-sufficiency and independence of people with disabilities depend largely on their capacity to maintain financial stability” (Batavia, Andrew I. and Beaulaurier, Richard (2001). Accordingly, in Portugal the highest poverty risk is identified among people with disabilities with low labor intensity (23.1%) or low income (24.8%) and with severe disabilities (36.5%) (Campos Pinto and Janela Pinto, 2017).

b) Legislation

The existing governmental incentives to soften the equality cliff that separates the disabled community from the remaining society, must be gathered and analyzed as a mean of understanding how is comprised the technical and financial provided support. In accordance, this section will be dedicated to the clarification of the legal windings within which the disability topic is build and perceived upon.

Portugal created a legal system of obligations to protect individuals with disabilities, as an instrument to protect, promote and defend their interest. In this set of laws and decrees, we can find relevant information about how companies and organizations perceive the necessities of a disabled person and in what terms they choose to act in order to tackle this societal fragmentation issue. In order to comprehend in extension in what terms the Portuguese government protects disabled individuals, we will assess the stipulated subsidization given to tackle this social harm.

Furthermore, it is important to consider that any legislation created around the topic of disability, aims primarily to fulfill the requirements that prevents and punishes the existence of situations of discrimination and diminished rights, based on the disability condition. The law number 46/2006, whose fifth article is dedicated exclusively to employability situations, categorizes the possible existing forms of discrimination, stating to whom it is addressed and what punishments one should expect when staring in such an event.

Randstad, as a potential company that employs disabled individuals both for its own workforce and externally as part of its business, can find in the Portuguese legislation key support to the implementation of an inclusive recruitment process, benefiting from both technical and financial assistance that would decrease the amount of initial resources and investment involved in the construction of such a process.

For disabled citizens

Any Portuguese citizen that possesses a recognized disability, has the right to a set of fiscal benefits. Firstly, let us address the **Social Installment for Inclusion**, that is expressed internationally in the United Nation Convention for the protection of disabled people. The law-decree number 126-A/2017 settles and regulates an installment that is composed by **three portions** of subsidization, that are distributed according one's source of income. The **base portion** of this installment covers expenses deriving non-specifically from the condition of the individual and can reach the value of 269, 08€ per month (3171, 84€ annually). The accumulation of this subsidy with an income salary can reach the 8.500€ annually. Above this value, these citizens are obliged to fulfil their fiscal duties in accordance to the established by the regulatory entity, the Social Security. However, for individuals with disabilities rated above 80% the base portion of the Installment is fully provided. To address the potential poverty risk associated to disabilities, the government provides citizens with a **Complement** that aims to support individuals whose income are not enough to cover all declared expenses. This portion of the installment can reach 431,32€ per month and is computed according to the total income of the individual/family. There is a **third portion** of the installment, expected to be applied from 2019, that includes children and youngsters with a declared rate of disability. Nevertheless, there is still no legislation that states how much or in what ways will this portion be regulated.

Moreover, the National Institute for Rehabilitation (INR) along with Social Security, created a **program of sponsorship** that covers expenses related to equipment and materials, allowing disabled citizens to accomplish their everyday tasks. The SAPA (Sistema de Atribuição de Produtos de Apoio), managed by the INR, is composed of providing health facilities (that recognize the disability and deliberate on which product should the person be provided with), and financing entities (ministries that give structure program itself) that

deliver technical support to citizens with a permanent or temporary disability. This program is destined to cover “any product that aims to prevent, compensate and monitor inabilities and limitations” (INR, 2018) that disabled citizens may present.

In 2016, **1.78 million euros** were exclusively directed to financing “support products that are indispensable for professional training and to ensure employment” (Despacho n.º 10909/2016). This will, therefore, be an incentive that both motivates disabled citizens to find a job opportunity that suits their disability and also motivates employers to on-board these candidates into their workforces, since potential mobility and accessibility issues may be solved directly through resorting to this program.

For companies

The Portuguese government created a support program to potential employing companies. In cooperation with the INR, the IEFP and the Social Security, have gathered a set of financial and technical incentives that assure a successful inclusion of disabled citizens in a workforce. The so-called Program of Employability and Support to the Qualification and Integration for Disabled People conceives three key support areas and rewards the companies that employ the higher number of disabled citizens, called the Prize of Merit. The Program is, therefore, comprised by support to the **Qualification**, to the **Integration** and to the **Employment**. The regulations of the Program can be found in the Decree of Law number 290/2009.

In the first place, the **Qualification support**, assures that the right candidates reach the right job openings. The IEFP provides disabled citizens with the possibility of entering the job market. This is comprised by a set of training sessions where IEFP gives guidance about topics and skills in relevance. These training sessions can be provided by the IEFP or by Resources Centers for Inclusion (CRI), which provides services that support the training of disabled citizens. Randstad may be recognized as a CRI since it fulfills the INR requirements

of “mobilizing employer entities to support professional integration” of disabled citizens and of “promoting continuous training” (INR, 2018). It can, therefore, benefit from the financial support given to assure the providence of these training sessions. The table below shows the financial aids provide by the IEFPP to the CRI per involved candidate.

Support to the Qualification provided by the IEFPP to the CRI	
Guidance and professional orientation session	321,68€
Placement Support	643,35€
Post-Placement Services	536,13€
Total value of the support given	1501,16€

Table 4: Financial support to the Qualification provided by the IEFPP to the CRI
Source: Decree of Law number 290/2009

The support given by the IEFPP to the **Integration** aims to compensate the employers for potential expenses resulting from hiring a disabled candidate. This section of the program also allows erecting any physical barrier that may become an obstacle to the integration of the candidate in the workplace. The employer is, therefore, granted with a subsidizing up to 16 times the Social Support Index 6.862,4€ in order to eliminate architectural barriers (for buildings dated before the 20th February of 2007) or to adapt the workplace to health conditions of the candidate that will enter the company.

Lastly, the support provided to generate **Employment** reunite technical resources that aid interested companies to free willingly develop internships, job contracts or even job agencies that pursue the integration of disabled individuals. The IEFPP gives structural support to any of the measurements approved within this area, however, the companies must be responsible for triggering the construction of such structures.

c) Job Quotas

In October of 2018, the Portuguese government approved a project law (Projeto-lei nº861/XIII/3^a) imposing that a determined percentage of a company workforce within the private sector should be comprised of citizens with disabilities (Appendix 3.11) .This

measurement will be applied to medium (more than 75 employees) and big sized companies (more than 250 employees), with a percentage for mandatory employment of disabled citizens of 1% and 2% correspondingly, as a way of diminishing the current unemployment rate for the disabled population of 57,50%, as mentioned in the “Main Numbers” section. Citizens with a proven disability of at least 60% will be eligible to fulfill these percentages. To estimate the number of disabled employees a company should have for the year in relevance, it should take in consideration the size of the workforce in the year before. The law stipulates the period of 4 and 5 years for medium and big sized companies, respectively, to adapt their workforces to the established rates. However, this law admits exceptional situations. For a company not to comply with the job quotas established, the regulative authorities (ACT and IEFPP) must declare the inexistence of disabled citizens that gather the requirements to rightly play the job roles that the company has to offer.

The fulfillment of the job quotas will be supervised by the Work Conditions Authority (ACT). At the end of every fiscal year, every company must release a public report that demonstrates the number of disabled individuals employed. ACT will, in addition, perform random inspections to companies to prove the validity of the data reported.

The non-compliance with the demands established implies the application of a fine, which varies according to the transgression made. If a company does not employ the percentage accorded, will be administered a “severe” fine, and if the number of disabled employees is not included in the annual report, the company must pay the accorded to a “light” violation to this law. Nevertheless, the monetary values to each one of the fines is not yet defined by the government. The amounts accumulated through the payment of these fines will revert in 65% to the ACT and 35% to the INR.

It is expected that the promulgation of this law will generate an incremental interest in hiring disabled individuals on the behalf of the companies. However, it is expected that

citizens with a Disability Certificate resulting from chronic diseases (as cancer or diabetes) will be included into this percentage, meaning that some companies might already comply with the established mandatory quotas.

d) Main actors

While analyzing the market position of other interveners, we can find the market gap where Randstad wants to fit in and from which will take competitive advantage of. We will, therefore, dedicate this subchapter to the analysis of the Institute for Employment and Vocational Training (IEFP), of “Employment Operation for disabled Citizens” (OED), and other Social institutions (IPSS) that have been developing their mission around the inclusion of disabled people in the society.

The conclusions that will arise from this analysis will help us to design an efficient strategy that Randstad should follow to become the focal actor inside the employment of disabled people. For that purpose, we will resort to statistic data retrieved from the institutions in focus.

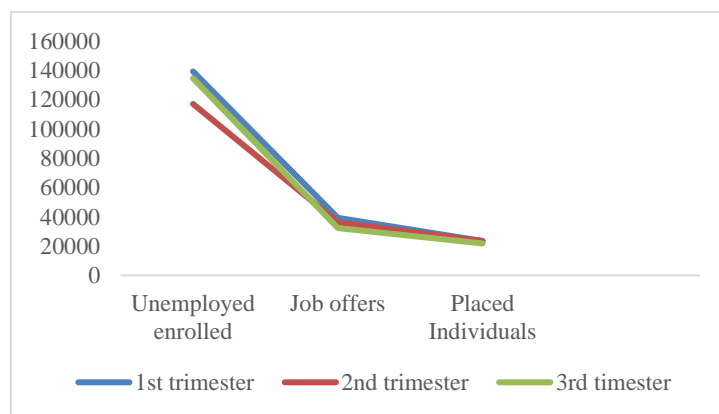
Institute for Employment and Vocational Training (IEFP)

The Institute for Employment and Vocational Training aims to promote the quality of employment and fight against unemployment of the Portuguese citizens, through the creation of active employability measurements, among which we can find professional training, professional internships and inclusive job contracts, supporting the edification of a solid network of qualified and inclusive opportunities. This Institute is under the guidance of the government, namely of the Ministry of Solidarity, Employment and Social Security, having, nevertheless, it's specific governance and by-laws that settle the management performance of the institute itself.

In 2017, the IEFP registered 407.1 thousand citizens that were actively searching for a job (Pordata, 2017) the lowest number of **entries since 2002 with 336.7** thousand of

individuals registered. However, as every individual that aims to receive the unemployment fund “must first be registered in the IEFPP” (Social Security, 2018) and by not being able to identify what percentage of the enrolled citizens is effectively interested in finding a job opportunity, to simplify the scope of our deliberation, we will admit that every person unemployed that is enrolled in the Institute is, in fact, actively searching for a job.

A study developed by the journal “Expresso” shows that for the first three months of 2018, the IEFPP “published 37. 839 job openings spread through all the Portuguese continental territory (...)” and “in 34 of the 278 counties, the number of vacancies occupied by the IEFPP services did not reach the 75% of the total quantity of slots open.” (Borga, 2018). If we take into consideration the monthly reports published by the IEFPP regarding the statistics of every employment agency that belongs to the Institute, we can conclude that the services provided by IEFPP agencies are not sufficient to address all the unemployment cases registered. The graphic below gives a clear image of what are the margins between three factors that shape the performance of the IEFPP.



Graphic 5: Trimestral analysis of the employment agencies of IEFPP, in 2018
Source: Statistical Data IEFPP March 2018, June 2018 and September 2018

We can observe that the percentage of enrolled unemployed individuals is far higher than the number of job vacancies, and if we cross compare such values with the number of individuals employed, we can readily conclude that the Institute won’t be able to give an

answer to the high demand of employability requests. It is, therefore, necessary to create a mechanism that can successfully give an answer to the majority of the individuals actively searching for a job opportunity (Appendix 3.12).

Moving this analysis to the employment of people with disability, we can easily detect the same placement efficiency problem, however, with a lower success rate when compared to the allocation of non-disabled citizens. Knowing that, in 2016, only 10% of the disabled enrolled were placed in the job market, we can once more confirm the deficiency of the placement process. Nevertheless, the Institute is focused on building other alternative mechanisms to assure the employability of people with disabilities, as a way of draining the number of citizens on hold for a job opportunity. As we have seen, the IEPF provides financial or technical support to the disabled candidates that express their willingness to develop their soft and hard skills. Additionally, companies that manifest their desire to hire or train disabled individuals can also find resources in IEPF to build an inclusive work environment as a way of diminishing the asymmetries between enlisting a person with or without a disability.

OED - Employment Operation for disabled People

The OED is a Portuguese IPSS, which works essentially towards the integration of people with disabilities in the job market. The mission statement of the organization is very clear, they seek to “include in the job market unemployed and disabled people, with legal age to be working and with an active enrollment in one of the four employment agencies in Lisbon” (OED, 2018), disclosing the regional impact that the mission of this organization will attain. OED is also responsible for creating awareness around the capabilities and productivity of such individuals. To do so, they provide a heterogeneous range of services, from which we must distinguish the selection and placement of candidates, the skills development programs

and the providence of post-placement services that ensure the maintenance of the individual's jobs. We separated this IPSS from the relevant others (in analysis in the topic below) as we consider that OED's mission is crucial inside this context, since it is exclusively working towards the professional inclusion of such individuals in the society. We can consider OED to be an employment agency only focused in disabled candidates.

In order to understand how impactful OED's services are, we will gather the data present in their annual reports. We will, for that purpose, assess the number of enrolled citizens, in terms of academic background, and the number of trained, integrated and supported citizens in the job market. For the years considered, the number of enrolled individuals with less than the mandatory academic level (12th grade) is higher than the percentage of individuals with higher degrees of education (bachelor, masters and PhD), leading us to the conclusion that the majority of job opportunities occupied by OED users, will be characterized by providing a temporary job contract, or requires a low qualification level of the employee (Appendix 3.13).

Furthermore, looking at the data relative to the number of job placements, trained individuals and post-placement support given (Appendix 3.14), we observe that OED is developing a limited job placement process, revealing structural problems on draining the number of individuals expecting a response from OED's services, and, consequently, the institution will difficulty achieve advantage by competing with scale. The skill development program, even though it reaches a limited number of citizens, is helping to enhance the skills and capabilities of the people involved, which is leading to the empowering of disabled people. The mindset adopted of prioritizing the skills and diminishing the disabilities that limit the person to its full potential is crucial to successfully include someone in a healthy work environment, as it raises disable individuals to the skills set of a non-disabled person and allowed to compete in the job market as equals. However, the providence of post-

placement assists a wider range of citizens, being this service the one that aggregates a higher number of entries when compared to the remaining.

Social Solidarity Private Institutions (IPSS)

Inside this Employability of Disabled Citizens, we can find private non-profit entities that have constructed their mission around the assistance of disabled individuals and their families. The Social Security, regulative entity of such institutions, defines an IPSS as “an institution constituted by private initiative, with no profit ends, with the purpose of giving an organized expression of the solidarity’s moral duty and of justice among individuals, which are not administered by the Government” (Social Security, 2018), providing support in many social fronts. Currently, there are 5.137 institutions operating in Portugal, however, not all are dedicated to the topic of Disability. Often times the IPSS dedicated to disabilities can be mentioned as ONGPD.

The support provided to disabled citizens by these institutions can be widely heterogeneous and always aims to achieve the capacitation and the independence of individuals with disabilities, through the offer of customized technical and financial solutions.

To assess the scale of the IPSS, and for the relevance of the topic, we will analyze the employment support statistics of two ONGPD, which are Associação Salvador and CERCICA. Although the work developed by both institutions has been very appreciated by all involved, we cannot ignore the fact that this has, still, a very remote outcome, leaving hundreds out of their services. In the previous year of 2017, Associação Salvador was able to support the placement of 6,3% of the enrolled citizens, and 4,7% of them were autonomously able to find a job position after going through the Association’s capacitation program (Appendix 3.15). We can find a similar pattern with CERCICA. The data provided by one of the institution’s managers shows an average of 10 placed individuals per year. Since this

organization opened its doors, 27 years ago, it has helped to place 250 individuals in the job market.

By comprehending these data, we can understand how local and diminished the scale of these organizations is. They do not have the structure to drain the amount of awaiting disabled citizens, nor the capacity of generating one to do so. The problem lies, not on the quality of the services or the commitment of the organizations, but on the reduced capability of competing with scale.

4. Strategy

After assessing the impact that the environment has on the industry under analysis, it is now time to understand how Randstad will enter this market. With the support of a SWOT analysis, this chapter highlights how this company is recommended to maximize value creation by introducing the concept of *shared value*; the positioning of the new service; the target candidate most likely to enter in this inclusive recruitment process; and the specialized sectors under the new service offer.

a) SWOT Analysis

As a way of designing the best suitable entry strategy for the recruitment of disabled people, one must first understand how Randstad perceives their strategy and how it is positioned in the current market. For that purpose, we will resort to a SWOT analysis as a way of identifying the strengths within the process and employ them to address the arising identified opportunities. This analysis will help us perceive the existing weaknesses, how to diminish them and how to fight possible threats within the process.

Concerning its **strengths**, Randstad is a global leader in the HR services industry and specialized solutions in the field of flexible work and HR services (Randstad, 2018). The company has been investing heavily in new technologies, taking a giant leap into the world of

“Tech and Touch”. This new strategy, from which Randstad is enjoying the point of intersection between technology and customization by using digital innovations to bring human forward, represents its dynamic ability to be shaped in accordance to an ever-changing environment where clients, more than ever, value a human HR experience. Randstad’s position as a trusted human partner in an increasing technology-driven world, while pursuing a cost-leadership strategy will enable the company to shape its new role and ensure a leading position in this industry. Based on these facts, we consider Randstad to be moving from a cost-advantage strategy as a standalone, to a more for profit hybrid strategy, which, seeks simultaneously to achieve differentiation and low prices relatively to competitors (Malta Business School, 2018).

According to its cost leadership strategy, Randstad aims to be the most cost-efficient company in its industry. The sources of cost advantage include the pursuit of economies of scale, a standardized service delivery and flexibility of resources allocation. Hence, Randstad fixed costs are spread across a large volume of clients, which decreases cost per clients. Additionally, variable costs are reduced as the expanded scale of the business and the possibility to replicate best practices, nationally and internationally, increases the efficiency of each process. This is only possible to achieve due to Randstad’s scalability, which gives the possibility to reduce its production costs and increase profitability as it grows larger and serves more clients.

Moreover, the move to a differentiated strategy, is supported both by Randstad’s excellent human capital represented by a diverse, knowledgeable and cross-functional multidisciplinary team and its commitment to maximize future employment and contributing to economic growth for society as a whole (Appendix 4.1). Summing up, this set of strengths is what makes Randstad stand for success and gain advantage not only against smaller players for whom they raise the barriers to entry, but also over larger, more traditional HR service

providers, and, thus, conquering brand recognition and a market share of 33% in Portugal, in 2018.

The **opportunities** detected are concentrated in the value created by the new quotas law, which, in our view, Randstad must adjust its strategy in order to sustain its competitive advantage. In one side, the unemployment rate for both man and women have been decreasing in Portugal while companies are, more than ever, “aiming to employ inclusion as a business strategy” , which generates the opportunity to bet on the unused resource and attack the niche market of people with disabilities, whose unemployment rates are strongly increasing in Portugal. Still referring to opportunities, “social impact has evolved from a pure public relations play to an important part of corporate strategy to protect and create value” (Deloitte, 2018). Furthermore, as mentioned by (P.D., 2016), there is an increasing recognition of the potential of companies to help address the most pressing challenges of today.

In the other hand, Randstad’s **weaknesses** are centered in its massified and standardized process since, although it results in efficiency for the company, may lead to a loss of identity and lack of customization, which might, as well, constitute one threat to its human forward strategy. Adding, and considering the fact that Randstad is a big multinational corporation, the process of its decision making is still long and bureaucratic, what might slow down value creation from rising opportunities.

Concerning its **threats**, Randstad can suffer high competition by other HR companies and social entrepreneurs that are committed to serve this new market niche and bring it to its core business. This will happen if the company does not take advantage of opportunities to redefine its business model and if, as suggested by Michael Porter, “continue to meet the same old conventional needs of the same old conventional types of customers, not thinking about those customers in a broader sense” (Driver, 2012).

b) Created Shared value

Although there are incentives to include disabled people in the job market, their high unemployment rate is still a social issue, leading to economic, human and governmental costs. As suggested by (Harvard Business Review, 2018), social needs have become so far-reaching that solutions require the expertise and scalable business models of the private sector by pursuing financial success in a way that also yields societal benefits, creating infinitely scalable and self-sustaining solutions.

In 2011, Porter and Kramer suggested the integration of a new trend inside business models and companies that is called “shared value”. This concept “which focuses on the connections between societal and economic progress” (Porter, M.E. and Kramer, M.R., 2011), has the power to unleash the next wave of global growth, since it “involves creating economic value in a way that also creates value for society by addressing its needs and challenges.” (Porter, M.E. and Kramer, M.R., 2011). However, creating shared value is not the same as engaging into philanthropic and corporate socially responsible initiatives. It’s rather creating a clear statement of compromise with the community one company is surrounded by, requiring a new set of skills and knowledge such as “deeper appreciation of societal needs, a greater understanding of the true basis of the company productivity, and the ability to work across profit and non-profit boundaries” (Porter, M.E. and Kramer, M.R., 2011). The authors also establish three different paths to generate shared value: “reconceiving products and markets, redefining productivity in the value chain and building supportive industry clusters at the company’s locations” (Porter, M.E. and Kramer, M.R., 2011). All can be addressed by Randstad’s inclusive recruitment service, since it is focused on an unaddressed and arising market, reframes the distribution of processes within its value chain and develops collaborative clusters to give support to the industry’s social needs.

We therefore recognize the integration of disabled citizens in the job market as an opportunity for Randstad's business to move from creating economic value as a standalone, to generate social value. For Randstad, being a pioneer in accessing this unmet new market segment will broaden up its reach and increase its potential to serve new clients and engender loyalty among existing customers, since the company will be able to present a differentiated value proposition that meets the needs of a so far extremely ignored portion of the Portuguese population. We expect Randstad's reputation to be valued by its shareholders, as the legitimacy of its business will be reinforced, and the investments required will be coated of a societal justification.

Accordingly, we recommend the company to apply its set strengths and take advantages of the rising opportunities given by discussed in the "Swot Analysis" section, to reconceive its services and markets and serve unmet needs (inclusive recruitment) in poorly served and overlooked communities (people with disabilities). The societal benefits of providing appropriate services to disabled citizens can be profound, while the profits for Randstad can be substantial.

c) Cooperation or Competition?

It is now time to focus on the strategic behavior that Randstad should present towards the remaining actors within this environment. We should consider the important concept of Shared Value that will shape all strategic relations established between the relevant players. As we have seen before in the "Creating Shared Value" section, the integration of a social driver into the core of one business will result on the empowerment of the community in which the business itself is inserted. Accordingly, in order to pursue such opportunities, Randstad must reshape its value chain in which the relationship with its direct competitors (or potential collaborators) is included.

Randstad, as a potential creator of Shared Value that is entering the niche market of employing individuals with disabilities, will have to be present in its reasoning process behind competition/collaboration three important variables before defining what kind of relationship should be established. Firstly, and recalling the “Main Numbers” section, the unemployment rates for disabled people are still very high. In addition, with the promulgation of a law that sets mandatory employment quotas for disabled people, we can observe the rising of a business market that, once addressed, will bring economic and social value to the company.

Secondly, by assessing the capabilities and the strategy of Randstad, we conclude that the ability to dilute the business costs into the scale of the business itself can potentiate the efficiency of the process. The competitive advantage of Randstad has automatized the placement through the smart coordination of all technical and human resources involved. This has allowed Randstad to differentiate their work and position themselves among the top HR companies. However, we must recognize the possibility of Randstad’s services being substituted by any other direct competitor within the industry, as this deliberation depends exclusively on the clients' decision.

Thirdly, and as we move this positioning to inclusive HR services, we observe that Randstad will benefit from the first mover advantage. In addition, as Randstad world spread delegations are allowed to “copy paste” of proven best practices from other countries” (Randstad Portugal, 2018) , we expect that Randstad Portugal takes advantage of the already existing experience in employing disabled citizens, as happens in Randstad Spain with the creation of a foundation that is focused on building structures to “assure the equality on job opportunities through the working integration of people in risk of social exclusion “ (Fundación Randstad, 2018), entering the market with an established performance expectations.

For any business to take advantage from the opportunities generated by on-boarding a business model creator of Shared Value, Porter and Kramer suggest the settlement of collaborations among key actors within the business cluster to build new knowledge of “insights, skills, and resources that cut across profit/nonprofit and public/private boundaries” (Porter, M.E. and Kramer, M.R., 2011) as a way of softening the potential initial investment needed to enter a new market and resulting on expanding “the total pool of economic and social value” (Porter, M.E. and Kramer, M.R., 2011). Additionally, in order to catalyze change and create Shared Value, companies must be able to engage in multisector coalitions as a way of gathering strengths to tackle a social problem. In 2011, John Kania and Mark Kramer conceived a movement called Collective Impact that “has facilitated successful collaborations in the social sector” (Kania, J. and Kramer, M.R., 2011) joining the efforts of the many firms to cause change in their respectful community. In addition, “companies that turn to collective impact will not only advance social progress but also find economic opportunities that their competitors miss” (Kania, J. and Kramer, M.R., 2011), enhancing the economic and social growth occasions that are still left to fulfill within their industry. The authors conceive Collective Impact as way of moving inside the ecosystem created by Shared Value, considering it to be a powerful resource to the companies that add a social driver into their economic mission. The Collective Impact framework states that successful collaborations for social change must be comprised of five key aspects: common agenda between all involved parties, share of a measurement system, develop reinforcing activities, constant communication between involved entities and eliciting a structural support “backbone” dedicated to the issue in relevance. The fulfillment of all five requirements assure the creation of a solid cooperation relationship.

Nevertheless, any relationship that Randstad establishes must be settled in order to avoid compromising the position and the reputation of the company itself. The integration of

an inclusive recruitment process would be an extension of Randstad's services that should not harm the previously established relations with the firm's clients. In accordance, Randstad should decide on whether to create synergies that potentiate the process, centering all actors' strengths to address an unrecognized social issue, or to compete with them as a way of triggering the creation of a dynamic competitive market that provide a wide scope of services for unemployed disabled individuals.

We purpose that Randstad establishes a collaboration relationship with both the IEFP and OED since these two players are exclusively related with the unemployed and the disabled, respectively. Knowing that the higher number of disabled individuals was registered in Lisbon /Vale do Tejo region, we recommend to, first, tackle this population to also assess the feasibility of our proposed strategy. If we conceive a potential partnership with the IEFP, Randstad would be provided with enough knowledge on the public processes of employment and, mainly, have access to a wide spectrum of profiles of unemployed disabled citizens. As for the OED, we can assume that Randstad would be able to absorb knowledge on how to handle inclusive recruitment processes and the suitable mechanisms and requirements to integrate disabled individuals within the job market. Joining such assets from both entities would potentiate the efficacy of an inclusive recruitment process that has Randstad as the central motor. However, the establishment of synergies is dependent on the will of both IEFP and OED to join this process and become, as Randstad, key drivers for social change. Parties' reluctance to engage in this partnership can compromise a limitation to Randstad's entry strategy. Both IEFP and OED would address the same agenda as Randstad for reaching "a shared vision for change and a joint approach to a solution" (Kania, J. and Kramer, M.R., 2011), while combining the interests of all parties involved. Also, the three interveners should share a common measurement system based on the performance of the process outcomes, through the number of individuals that attain/maintain a job. This system will reinforce the

sharing of a common base agenda that helps on defining the common result expectation of all players of the collaboration. Moreover, it is not expected that all three parties engage in the same activities in order to integrate a disabled citizen into the workforce of a company. On the contrary, the different interveners should address the issue by developing different and complementing tasks, tackling different aspects of the hiring process. This can only be assured if Randstad, the IEFPP and the OED establish a perfectly sane and well-oiled mechanism based on a trustful constant communication flow. In accordance, the partnership should foster the constitution of “backbone” structure to support the management of both the recruiting process and the partnership.

Nevertheless, we cannot ignore the existence of other players within our cluster. Although IPSS do not have the scale needed to potentiate and give an answer to the demands of this market, we cannot neglect the possibility of such organizations start to work in confederations once they detect further business movements within their market. In any of the cases the IPSS should be faced as competitors since they won't add any incremental value to Randstad reshaping of its value chain. If acting as individual players, the problem lies not only in the reduced number of covered individuals but also in the management of resources to ensure the placement of such candidates. Apart from the OED, other IPSS distribute their resources through other provided services, constraining the potentiality of creating a scalable employment agency within the institution. However, if we conceive the existence of IPSS confederations, the difficulties related to scalability vanish, giving place to a problem based on the incentives given by the Government. The governmental incentives provide support to the IPSS in accordance to the number of trained individuals, what generates a negatively vicious loop within a potential collaboration to allocate disabled individuals. Apart from the internal metrics settled by the organization's management teams, we cannot find any other incentive that moves the IPSS to work towards the employment of disabled citizens.

Lastly, to design a sustainable market strategy one should bear in mind that Randstad is not a single player within the Human Resources sphere. The promulgation of the mandatory job quotas for disabled citizens will result on the creation of new Human Resources market from which companies can take advantage of. Accordingly, once Randstad direct competitors get acquainted with the necessity of tackling the Employability of Disabled Citizens, the competition within this niche market is expected to increase. To understand what to expect from the possibility of other HR companies' intention to enter the market we will resort to the Five Forces model.

Engaging on a partnership with the IEFP and the OED will rise the barriers to the entry of new companies, since the geographical scale and scope of this collaboration will generate a considerably large placement structure. However, the entrance of new competitors will increase the bargaining power of the service buyers, since the availability of services, with an expected differentiated price from the one practiced by Randstad, can incentivize the clients to opt for other companies' services. Since the relevant suppliers of the market (IEFP and OED) are locked-in Randstad process, the threat of pressure on the behalf of these entities do not comprise a menace for the viability of the process. Lastly, the creation of new firms that are dedicated to employ disabled individuals will cause the rate threat of existing substitutes to rise, since it potentiates the possibility of clients to change Randstad services for other available similar services.

d) Positioning of the new service

In order to strengthen its competitive positioning, Randstad should take advantage of the resources and capabilities of its already set business to solve this specific social problem in a way that is aligned with the company's strategy. Inevitably, the most sustainable strategy for Randstad to create shared value will be by extending its current strategy to disabled citizens. Offering a service within the existing strategic positioning, it is expected to foster the

success when serving unmet needs and be profitable while delivering social results. Randstad should continue to have a cost-advantage strategy and maintain its competitive advantage of charging lower prices to customers, enabled by its scale and efficiency. Furthermore, we suggest Randstad to continue enhancing differentiation within the process by extending its commitment for economic growth of society as a whole⁴ to this new service.

Randstad is recognized among the industry for mass recruitment and temporary staffing, which enables the company to compete with scale and with price among other players. Therefore, when deciding how to position the new service offer in a highly competitive market as the HR industry, we have chosen to sustain its leadership in temporary and permanent placements of low-qualified work, enabling competition with scale and the pursuit of a cost-advantage strategy.

e) Target

Before deciding the most appropriate target under the market of unemployed disabled people that Randstad should pursue, one must acknowledge that the chosen target should enhance service's scale and efficiency by taking advantage of one of the most powerful resources of Randstad, the big database of companies-clients.

Accordingly, in order for Randstad to start serving the bigger market within unemployed citizens with disabilities who match the position of the new service, the defined target should be working age citizens with a disability rate over 60%⁵, with education levels below the University degree, from Lisbon and Vale do Tejo.

If we look at the market of employed people with disabilities in 2015, we noticed a trend regarding the level of literacy, where 75% of the workers with disabilities had levels of education until (including) secondary school (Appendix 4.2). Furthermore, out of the 13 thousand unemployed citizens with disabilities registered in the IEFPP, 94% matched, in 2016,

⁴ See Appendix 4.1 for detailed information

⁵ As described in the "Legislation" section, 60% is the disability rate a candidate must have in order to respect the quotas law

Randstad's targeted market (Appendix 4.3), in terms of educational level. Regarding the region from which disabled candidates come from, the majority⁶ of disabled citizens unemployed registered in IEFP were from Lisbon and Vale do Tejo. Hence, as our first main source of candidates is suggested to be, as seen in the "Cooperation or Competition" section, the IEFP, we consider disabled citizens with low education level from Lisbon and Vale do Tejo, to be the most appropriate target.

f) Services provided

Related to the already existing business model of Randstad, the company offers HR services in a variety of specialized activity sectors, such as public administration, agriculture, contact centers, events, hotel and tourism, industry, health and technologies. It is now important to assess within which sectors Randstad is expected to provide job positions.

Based on past statistics of Randstad (Appendix 4.4), we can observe that in 2016, 2017 and 2018, industry/logistics and contact center, were the two most frequent sectors employing disabled citizens. Moreover, according to Appendix 4.5, from the disabled workers employed in the private sector in 2015, the majority had jobs in the sector of services, mainly in industry and health/social support sectors. However, this analysis is made upon a different context, since we are relying on data gathered in a time where there was no quotas legislation to be respected, which means these are the sectors that, in the past, were more predisposed to hire disabled citizens.

In order to have a richer analysis, we need to consider the changes in the environment from which this dissertation is based upon, where recruiting disabled citizens is mandatory, and therefore, we need to base our analysis in Randstad's clients, since we expect them to be the first companies to recur to the new inclusive service. However, due to the lack of information about where the big and medium sized companies-clients of Randstad belong in

⁶ almost 70% of disabled citizens (Campos Pinto and Janela Pinto, 2017)

terms of sector, we considered general data available, as appendix 4.6 shows. On average, the big and medium sized companies with greater dimension were in 2016, inserted in the sectors of administrative activities (including contact and call center), manufacturing industry and wholesale & retail .Therefore, we expect Randstad's clients to hire low instructed disabled citizens to place them predominantly inside these three sectors, for a low-qualified job position (Instituto Nacional de Estatística, 2016).

In terms of regions, in 2016, the sectors of administrative activities and wholesale & retail had on average a greater number of companies in Lisbon, whereas, regarding the manufacturing industry sector, the highest value was recorded in the north and center of Portugal. (Instituto Nacional de Estatística, 2016).

5. Organization

. In the previous chapter we outlined with detail, the strategy Randstad is recommended to focus in order to gain advantage over the market of people with disabilities. We should now describe how the changes arriving from the pursuit of the elaborated strategy will affect the organizational model, the distribution of internal and external resources and, lastly, the investment decision.

a) Organizational model

In order to decide which organizational model Randstad should follow to sustain its entry strategy, one must be aware there is a high level of commitment and change required if Randstad is truly interested in driving growth and innovation through a created shared value perspective. As suggested by (Porter, M.E. and Kramer, M.R., 2011), create shared value will require concrete and tailored metrics for each business unit, as well as a clear agenda internally generated .Therefore, we suggest Randstad to rebuild its organizational model and create a new business unit, which is expected to set them apart from the competition and

augment their success. A new department only focused on inclusive recruitment would be the most efficient approach for Randstad, which seeks to serve a new market niche, as a mean to grow economically while contributing to the solution of a social problem. Also, a potential collaboration with IEFP, as discussed in “Competition or Cooperation” chapter for sourcing purposes, would result in more than 12 thousand candidates that match Randstad’s target and are willing to do a non-qualified work, which numerically justifies the design of a new business unit. (Appendix 5.1).

Furthermore, people with disabilities are a specific and sensitive target and, hence, their employment process requires detailed changes to the current process. Randstad would incur in notable reputational risks by training an already existing team that, in the majority of the cases, never worked with a disabled individual before. The resources and Human assets that the Company currently has are not sufficient to meet the needs of the target market in a customized and high-quality manner. If Randstad wants to protect from the competition by other HR companies and raise the barriers to entry for small players it must capitalize on its strong financial position, its solid client base, and its reputation of leader to create a new business unit, only focused on inclusive recruitment, and, therefore, help to address one of the biggest Portuguese social problem.

In summary, considering Randstad’s declared commitment to maximize future employment and contributing to economic growth for society as a whole, by supporting the inclusion of people who experience a distance to the labor market, the creation of a new business unit, enables the accomplishment of this ultimate goal.

b) Internal resources

The inclusive recruitment process

Before describing what we have selected as an effective and credible approach to the recruitment of disabled people, it is important to mention that, in every stage of this particular recruitment process, there is a need to be flexible and to acknowledge that people with disabilities are not a homogeneous group, but individuals with unique abilities and strengths. Not using this premise as a starting point is, from the beginning, compromise its success.

As a typical hiring system, is **triggered by a need** for Randstad's clients to fill a specific position with the right candidate. According to client's requisites, Randstad will elaborate a **detailed job description**, describing the tasks in need to be fulfilled and the competences needed for that intent. After, a **structured diagnostic interview**, with a specialist, will assess the candidate's capabilities, limitations, employment history and personal/career motivations. The focus should be on the competencies required to meet the job demand, i.e. on inherent requirements and essential functions stated in the job description, and not the disability itself. It is crucial to get free of stereotypes since it might leave to a mismatch, undermining the process.

From the **sourcing of disabled candidates** in IEFEP, a pool of candidates is going to emerge, according to which Randstad team is suggested to match to the specific job offer. For that purpose, Randstad is suggested to continue resorting to the application of the "Spider" matrix, that will, in this context, focus on the deep understanding of the abilities, needs and character of the candidate. However, instead of a job, company and boss fit, we recommend a job and organizational fit, instead. At the job level, the candidate's experience, capabilities and limitations will dictate the degree of suitability. The organizational fit comprehends an assessment of the candidate's personality, insecurities and, physical/ psychological needs and evaluates it against client's commitment to the social cause and propensity to proceed with

architectural and mindset changes to contribute towards the inclusion goal. Once there is a candidate/group that is perceived to be suitable for that job and organization, Randstad, in collaboration with OED, will begin a **customer care** process, which will be responsible for the whole integration, support and follow-up of the candidate in its workplace. A constant feedback between OED and Randstad is suggested, enabling Randstad to find possible weaknesses of the inclusive recruitment itself. Furthermore, Randstad should keep the contact with each placed candidate, either by meetings or by phone calls⁷. The candidates that were not selected will begin a training program inside Randstad, as described below.

Training Program

By reconceiving new services and entering new markets with unmet needs, Randstad will be committed to pursuit profit while empowering the community in which operates. Therefore, in order to foster inclusion and minimize the risk of this service, we suggest that Randstad develops a training program involving both companies and disabled candidates.

To guarantee the success of the program, one must understand the roots of the low employment rate of disabled people. As stated by Dr. Jorge Falcato, a member of the parliament we had the chance to speak with, “There is a mix of poor education, prejudice and negative attitudes against people with disabilities”, which makes us believe the proposed training structure should involve Randstad as a key player on the process, with the role of motivating both companies and candidates. Therefore, the participants of the program would be the management team of companies that are clients of Randstad, as well as, sourced disabled candidates that are in the database of Randstad, but didn’t find a job opportunity yet.

Moreover, the suggested structure of the program for companies relies on their “mind shift”, according to two phases. The “*education*” phase, which is recommended to be composed by workshops where information about incentives given to promote inclusion in

⁷ We suggest this contact to be established every three months for at least one year.

the workplace, as well as the benefits of hiring these candidates are going to be discussed. Afterwards, once companies' negative attitudes towards inclusion are destroyed, the “*adaptation*” phase will take place, where workshops about how to make the workplace more inclusive, in terms of architecture and employee's attitudes, will be given.

Regarding disabled candidates, the program is focused on their needs and Randstad should try to make it as personalized as possible, by joining in teams candidates that have similar limitations. Overall, we consider important to develop *Basic Skills* workshops, where candidates are expected to develop and apply communication, numeracy, interpersonal and digital skills. In the other hand, we suggest a *Corporate World* workshop, where skills and behaviors required for an active and sustained participation in the Job market would be enhanced, while removing barriers that people with disabilities might face in preparing for, obtaining and maintaining employment.

The duration of the program will depend on the number of candidates and Randstad's clients entering in the process. We consider that for it to be efficient, candidates must enroll in a month of training, with classes 4 hours per day, whereas companies, should be enrolled in a two-day program.

Related with possible partnerships within the training program, we have deliberated a collaboration with OED in which it would be responsible for training disabled candidates, since it is already part of their services offering. However, we considered that Randstad's team is the best entity for training purposes due to its high correlation with the job market, and the knowledge about the qualifications required to meet the job positions inside non-qualified roles. Furthermore, after gathering data from OED's 2015 annual report, in which it was reported a total of 46 people trained, we considered the social institution not to have sufficient resources and capabilities to train a high number of candidates. (OED, 2015)

c) External resources

I. Impact Investment

Definition

Impact investing, which is defined “as the entire spectrum of investments deliberately aiming to create shared value”, can be seen as an integrative approach to wealth creation in this context. (Harry Hummels and Marieke de Leede, 2014)

Social Finance UK elaborates on the definition of Social Impact Bond (SIB) by describing it as a form of impact investment that is translated in a public-private partnership which funds effective social services through a performance-based contract. A SIB enables the local governments to partner with high-performing service providers by using private investment to develop, coordinate, or expand effective programs. If, following measurement and evaluation, the program achieves predetermined outcomes and performance metrics, then the outcomes payor repays the original investment (Social Finance, 2019). However, if the program does not achieve its expected results, the payor does not pay for unmet metrics and outcomes. The central feature of a SIB is that it brings together three key partners: a commissioner or outcome payer a service provider an independent investor and an independent evaluator (The Government Outcomes Lab, 2018).

SIB to fund the training program

In this context, through a SIB, private social motivated investors, would finance the training program that fosters inclusion of disabled people in the market, delivered by the social provider which is Randstad. If the outcomes are met, which would result in saving costs for government, the latter, as an outcome payer, would share its savings with the investors by paying back their principal and a financial return for the risk they took. However, this mechanism asks for an independent evaluator, in most cases an academic institution, who evaluates the accuracy of outcomes achievement.

To the Portuguese government, this opportunity provides a risk-free solution, with great potential to decrease the set of costs that the social problem of unemployment of disabled people brings. For Randstad, the benefits include the possible scalability of the training program with no costs, which fosters inclusion and increases the social and economic benefits of its new shared value strategy. Lastly, private investors, even carrying some risk, have the possibility of recover their investment and a fee for the risk taken and, at the same time, contributing to the solution of a social problem.

Outcome metrics- Training program KPI'S

In order to measure the efficiency of the training program, we purpose the outcome metrics to be evaluated according two different indicators. Firstly, the percentage of disabled citizens employed by Randstad, which only considers paid professional experiences, otherwise the Portuguese government has no savings. Secondly, the percentage of disabled citizens that, once employed, maintain their job for at least one year, to ensure that all parties in the contract are aligned with the real objective of the project, helping disabled people enter the labor market in **stable** and **secure** jobs.

Governmental Savings

Primarily, a cost analysis must be done before assessing the savings that the Portuguese government is expected to have if the outcome metrics are achieved and, therefore, disabled citizens start to have a source of income. There are tangible and intangible costs supported by the Portuguese government that are intrinsic to this social challenge. First, human costs arise with the risk of poverty that unemployed disabled citizens face. Second, social/economic costs emerge since high unemployment rates represent a loss of human capital, time and skills which could, otherwise, contribute for the production and growth of the economy. Third, direct costs appear from government spending on Social Installment for

Inclusion. The direct costs per person take the monthly value of 269,085€ and are driven from the Social Installment for Inclusion⁸. (Departamento de Prestações e Contribuições, 2018).

In an attempt to determine the estimated savings for the Portuguese government if the outcome metrics are achieved, data was gathered from the Social Security (Instituto da Segurança social, 2018). Whenever a person with a level of disability lower than 80% ⁹starts to work, the value of the social installment for inclusion is reduced. Assuming disabled people will receive the minimum Portuguese wage¹⁰, the Governmental savings are described in appendix 5.2.

II. Collaboration with IEF - Sourcing

To better comprehend how a partnership with IEF can be perceived as an advantage for Randstad, we will assume that the Institute is willing to on-board on this process, erecting a valuable public/private boundary.

As we have already seen in “Main numbers” section, by 2016, 13 thousand were registered in IEF, from which roughly 10%, were employed. Furthermore, 94% of the unemployed citizens belonged to the market Randstad is suggested to target, allowing, from the beginning, a great potential impact of the process. We consider that a partnership with IEF as our main source of disabled candidates would empower them as a supplier on the process, since it will give them the efficient mechanism (Randstad recruitment and selection process) they need to link demand and offer, and hopefully substantially decrease the unemployment rate of disabled citizens registered in IEF.

In the other hand, this collaboration would give Randstad a clear advantage by enabling the company to be in contact with the database where disabled candidates are registered and solve one of the most severe bottlenecks of the process, the sourcing phase.

⁸ See “Legislation” section for further explanation

⁹ For disability rate over 80%, the Portuguese government has no savings, since the full amount of the Social Installment for Inclusion

¹⁰ Approximately 668€

III. Collaboration with OED - Customer care

Once a disabled candidate is recruited by a specific company, we have recommended Randstad to follow a customer care process, in order to mitigate the perceived risk of including disabled people in a workforce. In pursuit of this goal OED has, since 1990, been responsible for establishing a set of activities that support disabled people searching, getting and sustaining their job. We considered that a partnership with OED in the “customer care” phase, where it would be responsible for coaching both candidates and the hiring company, would be the answer for the second bottleneck of the process: costs and risks associated with the business unit creation. As our target market is big, we have considered it would be costly, inefficient and unrealistic for a Company as Randstad, to follow-up every disabled people that enters the job market.

Consequently, OED coaching program would be related with maintenance and progression in the workplace and is suggested to include post-placement follow-up, the designing of the right methods for the full socio-professional integration of workers, management of conflicts that may arise in the workplace and, lastly, the assurance of the personal and professional valuation of disabled workers by enterprises.

Above all, OED has experience in the target we have suggested Randstad to market, since most of their clients (37%) completed Secondary Education, and 28% have elementary education (OED, 2015).

d) Investment decision

We have arrived to the last part of this dissertation. The final step will focus on validating the business case and determining whether the outlay of corporate resources and efforts produce a pleasant social and economic return for Randstad. For that purpose, an estimate of the total

addressable market as well as an analysis of the capital expenditures and operating expenses will be essential to determine the internal rate of return which, with the help of the Social Return on Investment, will make us reach a conclusion.

I. Total addressable market

In order to accurately compute the estimate of the total number of covered unemployed individuals under this new Randstad service until 2023, we had to question a variety of factors that we expect to drive demand and that we have defined as business drivers.

As a starting point, we resorted to a forecast analysis to estimate, the number of clients Randstad would have by 2023, according to past data (Appendix 5.3). Afterwards, applying the mandatory quotas of 1% for medium sized companies and 2% for big companies, we computed the total expected number of disabled citizens Randstad's clients will need to hire until 2023. For that purpose, we assumed an average of total number of workers in medium and big sized companies of 142 and 931, respectively, as Appendix 5.4 show. Therefore, we reached an estimated value of 5.6 thousand disabled citizens required to be employed by 2023 (Appendix 5.5). However, assuming 0.86% of the workforce of Randstad's clients has already some sort of disability, we remain with 5.5 thousand disabled citizens required to employ by Randstad's clients.

Nevertheless, it would be numb and against the market efficiency theory to assume Randstad is going to be a monopoly in this business and capturing the whole market until 2023. Hence, we have recognized three business drivers as being the most important when analyzing the penetration rate of Randstad in this new market. Firstly, Companies' perception of **Diversity and Inclusion**, which, as stated by Deloitte's report, "is today a broader issue than the standard business" (Deloitte, 2018). Secondly, the **competitive landscape**, where, as suggested by a Forbes article, is essential to "assess opportunities and odds for success in a

new market niche”, particularly in a highly fragmented industry such as Human Resources, where Randstad is expected to face competition by other HR companies. Lastly, the **economic stage** plays a crucial role when trying to forecast the success of a new business. The Human Resources Industry is cyclical, since there is a correlation between unemployment and gross domestic product (GDP) in a business cycle, which can be best described as an inverse relationship. (Foreurope.eu, 2018).

Additionally, based on the premise that the state of the economy directly affects the willingness and readiness of companies to look at their corporate social responsibility strategy, two different scenarios have emerged.

A positive scenario (scenario 1) is described by an economic upturn, where companies will comply with the law of quotas and are willing to take the risk that a workforce with disabilities might bring. Here, substitutes will naturally appear, but Randstad will thrive due to the first mover advantage, and therefore we expect that this business unit has, until 2023, half more demand for disabled candidates than expected, and therefore, around **8.2 thousand** candidates expected to be employed by Randstad.¹¹

On the contrary, considering a negative scenario (scenario 2) the economy is not prospering, and therefore, Randstad’s clients are less dedicated to social causes and don’t complying with the quotas since they are in a risk averse period. In this context, substitutes are not expected to appear, however, Randstad may see a decrease of its revenue both in the typical and inclusive recruitment. Hence, we expect Randstad to employ only half of the expected disabled citizens, which means, approximately **2.7 thousand** ¹²disabled citizens.

¹¹ 5.5 thousand * 1.5 = 8.2 thousand

¹² 5.5 thousand*0.5=2.7 thousand

II. CAPEX and OPEX

A new business unit for Randstad will bring costs divided into two categories of business expenses: capital expenditures (CAPEX) and operating expenses (OPEX). These costs are associated with the business unit we have suggested Randstad to create for the inclusive recruitment of disabled people. After assessing the expenses, we will estimate the revenues of the process, considering the 2 different scenarios, enabling us to estimate the Internal Rate of Return of the new service.

Capital expenditures are related with the investment made by Randstad to purchase major physical assets that will be used for more than one year and are necessary to increase the scope of current operations inherent to the business unit creation. Firstly, plant and equipment are tangible assets that the company needs to purchase, including office furniture and material. Secondly, hardware purchases include additional equipment and computers needed for the new workforce, as well as, for disabled people that might need special equipment/machines. Thirdly, building expansion and improvements are related with all the architectural changes Randstad will need to make the workplace available for all type of disabilities. In the other hand, the value of the OPEX will be the sum of all the additional operating expenses Randstad will incur in a daily basis such as utilities (additional water and electricity expenses), salaries, research & development and marketing for strong awareness and recognition.

As we already discussed, we centered our analysis in two main scenarios according to the already established business drivers: Inclusion and Diversity, Competitive Landscape and Economic scenario, which will result on two different P&L statements. Consequently, as Randstad can't predict the state of the economy in the up-coming years, we consider the initial investment in 2018 to be the same for both scenarios 1 and 2, as the graphic below shows.

CAPEX	Scenario 1	Scenario 2
Total	138 000	138 000
Office Equipment	8000	8000
Softwares for disabled	80 000	80 000
Architecture alterations	50 000	50 000

Graphic 6: Analysis of the expected investment made in 2018 for scenario 1 and scenario 2 by Randstad
Values in €

In the other hand, OPEX is expected to be distributed differently among both scenarios, reaching higher values in scenario 1 than scenario 2. Since in scenario 2 disabled candidates employed are expected to be reduced in 5.5 thousand¹³, the global spending on operating expenses will also decrease, as the graphic below describes.

OPEX	Scenario 1	Scenario 2
Total	75 393	24 920
Rent	3360	2640
Utilities	6000	6000
Salaries	5133	3500
Research Development	900	780
Marketing	60 000	12 000
Opex/Unit	9,12	9,05

Graphic 7: Analysis of the average operating expenses Randstad will incur from 2019-2023
Values in €

a) Revenues

According to annual revenues, these are recommended to be calculated as the typical recruitment process for Randstad, meaning that a fee will be charged under the gross annual income of the hired candidate in the client's company. In order to estimate the revenues per disabled candidate employed, we assumed the fee charged by Randstad would take a greater value in an inclusive recruitment, since it reflects the effort, focus and responsibility of the new service. The value of the fee will vary according to scenario 1 and 2. As the figure below shows, in the scenario 1 it will reach higher values, since the demand by Randstad's clients for candidates are higher than in scenario 2.

¹³ 8.2 thousand – 2.7 thousand= 5.5 thousand

Scenario 1	Employment Rate	Disabled people employed	Fee
2019	10%	825	25%
2020	15%	1238	25%
2021	20%	1650	30%
2022	25%	2063	40%
2023	30%	2475	40%
Total	1	8250	

Graphic 7: Analysis of the fee Randstad will charge to clients for the new service in scenario 1

Scenario 2	Employment Rate	Disabled people employed	Fee
2019	5%	138	25%
2020	10%	275	25%
2021	15%	413	20%
2022	30%	825	20%
2023	40%	1100	20%
Total	1	2750	

Graphic 7: Analysis of the fee Randstad will charge to clients for the new service in scenario 2

III. Internal Rate of Return analysis (IRR)

In order to evaluate the profitability of the investment on this new business unit, we computed the IRR¹⁴ of this project under scenarios 1 and 2. In general, the higher a project's internal rate of return, the more desirable it is to undertake it, since it would provide a much better chance of strong growth. In theory, if this project has an IRR greater than its cost of capital, then it is a profitable one, and thus it is Randstad interest to undertake it. (Investopedia,2019). For scenario 1, IRR equaled 84%,¹⁵ meaning that the investment in a new business unit would be profitable for Randstad. In the other hand for scenario 2, the rate of return takes the negative value of -2%, meaning the amount of cash flows caused by the investment is less than the amount of the initial investment. In this case, Randstad will

¹⁴ The IRR excel function was used for this purpose

¹⁵ IRR=84% is most likely to have a higher value than the cost of capital, and therefore, we assume the project is profitable under scenario 1

experience a negative return on its investment and the project is considered as value destructive.

IV. Break-even analysis

We have resorted to a break-even analysis to compute the minimum number of disabled candidates Randstad needs to include in the job market, in order to cover both variable and fixed costs attached to the design of a new business unit.

As one would expect, in scenario 1, Randstad is expected to reach the break-even at the end of 2019, once approximately 600 disabled citizens are hired, and in the scenario 2, Randstad would have to employ about 1000 disabled people in order to reach the break-even point which, according to our analysis, will happen in 2022.

V. Social Return on Investment (SROI)

The concept of SROI has emerged as another way of considering the total value that a new business unit is supposed to bring for Randstad. Therefore, it measures extra-financial value (in this context, social return value that was not considered in the IRR analysis) relative to the resources invested.

Assuming that the social impact value for Randstad is related with the governmental savings computed in the “Internal Resources- Government costs” section, we can estimate the SROI for scenario 1 and 2, which would take the value of 87% and 28%, respectively, which numerically confirms the social value of this initiative.¹⁶

¹⁶ For both scenarios, $SROI = \text{annual savings for the government} * \text{expected number of disabled citizens employed} * 5 \text{ years}$

6. Conclusion

The main goal of our thesis was to assess whether Randstad, a multinational HR company, would find social and economic value on extending its current recruitment service to disabled citizens. In terms of social value per se, the new service would enhance Randstad's reputation in the job market, since, for the Portuguese population in focus, there is an expectable decrease of poverty and discrimination and increase of inclusion when disabled individuals are integrated within a company's workforce. "Being employed is important to disabled people, not just for the income, but also in terms of feeling valued, doing something useful, having a sense of dignity, worth and independence." (Guardian, 2018). Furthermore, the recommended public-private partnerships are expected to bring social impact into an even greater scale.

In terms of economic value, we confirm the viability of the creation of an inclusive recruitment process within Randstad, if scenario 1 takes place in the up-coming years.

Limitations of the process

We see as the biggest limitation of the constructed business case, Randstad's dependency on third-parties which, for a multinational HR company, might be considered too much risk taking.

Overall, the employability of disabled citizens still faces a big challenge arising from company's mindset. The "business world" has developed certain myths that can be detrimental to the advancement of even the most well-planned disability inclusion initiative, endangering not only the viability of the process but also the trust relationship between Randstad and its clients. Although people with disabilities are, on average, as productive as non-disabled workers and substantially more loyal, most companies still have negative attitudes towards disabled workers from a lack of experience and interaction with them.

Therefore, this uncertainty in the demand side of the project¹⁷, brings underlying risks for Randstad, which might see no profit generation, if companies refuse to comply with the established job quotas law.

In the other hand, disabled citizens might as well not want to be involved in an inclusive recruitment process, due to the lack of motivation to work. Along the present dissertation, we have considered that all disabled citizens that were registered in IEFPP, were actually physically and mentally available to start working. However, we comprehend that this cannot be expected in reality. Some of these citizens might be afraid of discrimination in the workplace and may have had already bad experiences of being discarded when revealing their disability. Hence, even if Randstad has clients demanding to employ disabled citizens, there are still risks of no profit generation for Randstad, if there is no offer of availability to work.

Furthermore, the partnerships established with IEFPP and OED depend, exclusively, on the will of both entities, which we could not predict due to the lack of schedule compatibility for a meeting with IEFPP. Therefore, if IEFPP refuses to join the process as the main supplier of disabled candidates, Randstad would have to build a sourcing mechanism, which is expected to increase the investment made and, therefore, compromising the viability of the project. Additionally, the absence of OED as a collaborator for the *customer care* process would also imply a greater investment, since Randstad's team would be in charge for post-placement services which, in accordance with the total addressable market perspectives¹⁸, would be inefficient for Randstad.

¹⁷ We assume that demand, in this context, is the desire by companies to hire disabled candidates.

¹⁸ In scenario 1, about 8.2 thousand candidates with disabilities are expected to be employed, if Randstad's clients comply with the quota legislation.

Lastly, regarding the total addressable market, we forecasted the total number of clients Randstad is expected to have by 2023 divided by medium and big sized companies, in order to compute the quantity of disabled candidates Randstad is estimated to hire if its clients comply with the quotas law. However, as we couldn't gather information about the sectors in which Randstad's clients operate, we could not predict trends regarding the sectors and job positions Randstad will mostly likely hire disabled citizens, which we consider a limitation to the analysis inside both "Target" and "Services provided" section.

Recommendations

Although we recognize the limitations described above as a possible threat, it is recommended for Randstad to embrace the path for inclusion quickly, since we are now witnessing "seismic changes in the workforce, the workplace, and the technologies" used in the world of work. Organizations are, today, increasingly judged based on their relationships with their workers, their customers, and their communities, as well as their impact on society, which transforms them from "business enterprises into social enterprises", creating economic value while enhancing social value (Deloitte, 2018). Therefore, based on 2018 surveys made by Deloitte, 65 per cent of CEOs have rated "inclusive growth" as a top-three strategic concern, which was considered three-times greater than the proportion citing "shareholder value". (Deloitte, 2018). Therefore, not only Randstad would sustain its reputation by creating the purposed inclusive service, but also, its clients would cultivate loyalty among their customers by engaging and retaining disabled workers, since they would be contributing to the solution of a social issue. At the same time there is a great fit of the case of employability of disabled people in Randstad's new strategy of "bring human forward", aiming to "create an experience that is inherent more human." (Randstad, 2017).

Nevertheless, to diminish the risk that a low propensity of disabled citizens to work may bring, we recommend the company to spread its candidates portfolio, by extending the service to the Portuguese population in risk of social exclusion and poverty, such as women and men with more than 45 years that are unemployed for a long-period, immigrants that are having difficulties in finding a job, women victims of sexual harassment or violence, and single parents. Hence, this would increase the social impact while, at the same time, reducing the dependence on disabled citizens, which would increase economic value.

In order to balance the characteristics of the demand and supply¹⁹ side in the inclusive service, we purpose Randstad to analyze in which activity sectors are Portuguese companies most likely to hire disabled citizens by intersect the job requirements ²⁰that are typically common to each sector, and the characteristics of each type of disability. This would be a way of Randstad to give efficiency to the process, by establishing a trend between type of disability and activity sector. Therefore, by using its powerful database Randstad would be able to assess, depending on the activity sector, which clients are mostly likely to hire disabled citizens for what functions, and in which regions, which leads to a better match, nurturing both parties' expectations.

¹⁹ We assume supply as the availability and intention of disabled citizens to be included in the job market.

²⁰ i.e skills, capabilities and limitations

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